

**MINUTES
EAGAR TOWN COUNCIL
SPECIAL MEETING
22 W. 2nd St., Eagar
August 17, 2017 - 6:00 P.M.**

Mayor Bryce Hamblin called the Special Council Meeting to order and welcomed those present. Mayor Hamblin requested the record show that Councilor Debra Seeley is absent and all other Councilmembers are present.

COUNCIL PRESENT: Bryce Hamblin, Mayor
Steve Erhart, Vice Mayor
James Nelson, Jr.
Winslow McNeill
Allen Browning
John O. Phelps

COUNCIL ABSENT: Debra Seeley

STAFF PRESENT: Bruce Ray, Interim Town Manager
Eva Wilson, Town Clerk
Katie Brady, Finance Manager
Frank Adams, Fire Chief

ITEM #3: NEW BUSINESS

A. DISCUSSION AND CONSIDERATION TO APPROVE AN ADDITIONAL CASH DEPOSIT OF \$300,000.00 TOWARDS THE 2017 BOND ISSUE WITH NATIONAL BANK OF ARIZONA FOR THE PAYOFF OF THE 2007 GREATER ARIZONA DEVELOPMENT AUTHORITY (GADA) BONDS

Interim Town Manager Bruce Ray reported that staff again reviewed the monthly expenses after the Council had approved an early payoff to the GADA Bonds and found, not counting capital projects, the Town's monthly expenses are approximately \$267,000.00. The three months of operating expense of which Council requires the Town to have in savings totals \$801,000.00.

Staff is making the recommendation to allow a cash payment towards the refinancing of the 2007 GADA Bonds in the amount of \$300,000.00. This will leave \$1.1 million in Local Government Investment Pool (LGIP). The \$300,000.00 down payment cuts an entire year off the life of the refinanced loan and reduces the interest. The closing of the loan is still scheduled for August 23rd even with this recommendation.

Councilor John Phelps is concerned that any unforeseen expenses can be covered with this large of an expenditure. Mr. Ray stated staff is comfortable with the amount recommended.

Finance Manager Katie Brady added that the total principle of the bonds is \$2.17 million; \$499,000 of that amount is debt service owed by HURF. If the Town chooses to use the \$300,000 to pay off the HURF portion, it reduces what is owed by HURF in the LGIP accounts and brings up future debt service.

Vice-Mayor Steve Erhart reiterated that the down payment could take the HURF restriction completely off that portion. Ms. Brady confirmed.

Councilor Winslow McNeill asked, if the Town had to access the three months of savings for emergency expenses, what is the time frame to be able to have those funds available? Ms. Brady stated it is the same day or next day by wire transfer.

Councilor James Nelson, Jr. stated his only concern is that the Town ensure they have enough funds to pay for the water tank rehabilitation. Mr. Ray stated he is confident the amount the Town has budgeted will cover those expenses according to the inspection report.

Councilor James Nelson, Jr. made a motion to approve an additional cash deposit of \$300,000.00 towards the 2017 bond issue with National Bank of Arizona for the payoff of the 2007 Greater Arizona Development Authority (GADA) Bonds allocated towards HURF (Highway User Revenue Fund). Vice-Mayor Steve Erhart seconded; all were in favor, motion carried unanimously. 6-0

ITEM #4: ADJOURNMENT

Councilor Winslow McNeill made a motion to adjourn the meeting [at 6:06 p.m.] Vice-Mayor Steve Erhart seconded; all were in favor, motion carried unanimously. 6-0

Attest: _____

Mayor: _____

Vice-Mayor: _____

Council: _____

CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes is a true and correct copy of the minutes of the Special Council Meeting of the Town of Eagar, Arizona held on August 17, 2017.

I further certify that the meeting was duly called and held and that a quorum was present.

Eva Wilson, Town Clerk